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NORTH SHORE RAILWAY.

SUPPLEMENTAL CONTRACT:

FOR CONSTRUCTION AND EQUIPMENT.

On the thirteenth day of June, in the year of our Lord, one thousand eight hundred and seventy-three, before me the undersigned, Notary Public, duly admitted and sworn, in and for the Province of Quebec, in the Dominion of Canada, and residing in the City of Quebec, in the said Province, personally came, appeared and were present, Samuel Larned Keith, Esquire, of the City of Chicago, in the State of Illinois, one of the United States of America, and now residing in the said City of Quebec, acting in this behalf, as well for himself, as in his quality of Attorney, duly authorized, of Perry Hiram Smith, and George Lincoln Dunlap, both of Chicago aforesaid, Esquires, now absent in the City of London, in that part of the United Kingdom of Great Britain and Ireland called England, all Railway Contractors and co-partners, carrying on business under the name and style of the "Chicago Contracting Company," party hereto OF THE FIRST PART.

And Colonel William Rhodes, of Benmore, in the parish of St. Columba of Sillery, in the county and

district of Quebec, now at the City of Quebec aforesaid, Esquire, in his quality of President of "the North Shore Railway Company," a body politic and corporate, having its chief place of business in the said City of Quebec, duly authorized for the effect hereof by a resolution of the said Company, passed at the said City of Quebec, and bearing date the seventh day of the month of June, in the year aforesaid, an authentic copy of which resolutions is hereunto annexed, and identified by the signatures of the parties hereto and of me the said Notary,

OF THE SECOND PART.

Which said parties have stipulated, covenanted and agreed as they do hereby stipulate, covenant and agree together as follows, to wit : Whereas a contract was duly made and entered into on the fifth day of April, in the year one thousand eight hundred and seventy-two, by and between the said party of the first part and the Honorable Joseph Cauchon, then President of the said "The North Shore Railway Company," the said contract bearing date and passed at the City of Quebec aforesaid, the day and year last aforesaid before Charlebois, Notary Public; by which contract it was amongst other things covenanted and agreed, that the party hereto of the first part, for the consideration therein mentioned, would furnish all the materials and execute all the works required to construct equip and in every respect complete, the Railway in the said contract mentioned, to wit : The Railway proposed to be constructed for the said Company; and also that in consideration thereof, the said "The North Shore Railway Company," represented by the said Honorable Joseph Cauchon, President, as aforesaid, would pay to the said party of the first part, certain securities in the said contract described and set forth, all which undertakings by

both parties thereto, are fully specified and set forth in said contract, and for the particulars whereof reference is hereby made to the said original contract, passed on the fifth day of April, one thousand eight hundred and seventy-two, to which this agreement is a supplement.

And whereas the parties of the first and second parts to the said contract, have mutually agreed, that the time for the opening of the Main Line of the said Railway for business, and also for the full completion thereof should be materially reduced from the time specified in the said original contract, and that in consideration thereof an additional compensation or bonus shall be paid to the said party of the first part, by the party hereto of the second part, all of which is more particularly hereinafter set forth ;

NOW THEREFORE, in order to give full legal effect to the premises, the said party hereto of the *first part*, and the said party hereto of the *second part*, for the mutual considerations hereinafter set forth and expressed, do hereby stipulate covenant and agree together, and promise, bind and oblige themselves, each the one to the other, and accepting each the covenants and obligations of the other of them as follows, that is to say :

First.—The party of the first part, covenants and agrees to complete, and equip the Main Line of the said Railway as the same is specified in the said original contract, dated the fifth day of April, one thousand eight hundred and seventy-two, so far as to permit of its being opened for business, by the running of one or more daily trains between the Cities of Quebec and Montreal, within the year one thousand eight hundred and seventy-four. In consideration of which, the said party of the second part hereby covenants and agrees to pay to the said party of the

first part, a bonus or sum of one million dollars, of lawful money of Canada, in the full paid capital stock of the said "The North Shore Railway Company."

Second.—The said party of the first part, hereby further covenants and agrees, to fully complete and equip the aforesaid Main Line of the said Railway, in accordance with the terms and conditions of the said original contract, dated the fifth of April, one thousand eight hundred and seventy-two, on or before the first day of September, one thousand eight hundred and seventy-five. In consideration of which, the said party of the second part hereby covenants and agrees, to pay the party of the first part a further bonus or sum of one million dollars of like lawful money, in the full paid capital stock of the said "The North Shore Railway Company."

Third.—The said party of the first part, hereby further covenants and agrees to fully complete and equip the said Main Line and Piles Branch of the said Railway, in accordance with the terms and conditions of the said original contract, dated the fifth of April, one thousand eight hundred and seventy-two, within the times therein specified, that is to say, the Main Line on or before the first day of December, one thousand eight hundred and seventy-five, and the Piles Branch on or before the first day of May, one thousand eight hundred and seventy-seven. In consideration of which the said party of the second part, hereby covenants and agrees to pay to the party of the first part, a further bonus or sum of one million dollars, of like lawful money, in the full paid capital stock of the said "The North Shore Railway Company."

And, it is hereby fully understood and agreed by both

parties hereto, that the said bonus or sum in the Capital paid up Stock of the said "The North Shore Railway Company," amounting in the aggregate to the sum of three million dollars of said lawful money, shall be paid as aforesaid, in addition to the sum or sums, that may become due or payable to the said party of the first part, at the time or times herein named, for the opening of the Main Line from the City of Quebec, to the City of Montreal; the full completion and equipment of the said Main Line; and the full completion and equipment of the Main Line and of the Piles Branch Line respectively, according to the terms and conditions, and by virtue of the said original contract, dated the fifth day of April, one thousand eight hundred and seventy-two; and also, that the said additional bonus or sum of three millions dollars of such Capital Stock, shall in no event become due and payable to the said party of the first part, except upon the full and faithful compliance on their part, with the terms and conditions herein contained, and upon which alone the granting of the said bonus is predicated. And the said stock shall be held by the owners thereof with all the legal rights, and liabilities attaching thereto.

The party hereto of the second part, hereby further covenants and agrees, to prepare and execute in the proper legal form, without unnecessary delay, representative or provisional scrip certificates, in such denominations of not less than one thousand dollars each, as may be required by the party of the first part, for the full amount of said aggregate bonus or sum of three million dollars of such Capital Stock, which representative or provisional scrip shall consist of three distinct and separate series or classes, of one million dollars each.

The first series shall specify upon its face, that the

holder thereof will be entitled to receive from the said "The North Shore Railway Company," a like amount of full paid Capital Stock upon condition, that the Main Line of the said Railway shall be so far completed and equipped by the party hereto of the first part, as to permit of its being opened for business by the running of one or more daily trains, between the Cities of Quebec and Montreal, within the year one thousand eight hundred and seventy-four.

The second series shall specify upon its face, that the holder thereof will be entitled to receive from the said "The North Shore Railway Company," a like amount of full paid Capital Stock upon condition, that the Main Line of the said Railway shall be fully completed and equipped in accordance with the terms and conditions of the said original contract, dated the fifth day of April, one thousand eight hundred and seventy-two, on or before the first day of September, one thousand eight hundred and seventy-five.

The third series shall specify upon its face, that the holder thereof shall be entitled to receive from the said "The North Shore Railway Company" a like amount of full paid Capital Stock upon condition, that the Main Line of said Railway and the Piles Branch thereof, shall be fully completed and equipped in accordance with the terms and conditions of the said original contract dated, the fifth day of April, one thousand eight hundred and seventy-two, and within the times therein specified, to wit, the said Main Line, on or before the first day of December, one thousand eight hundred and seventy-five, and the said Piles Branch line, on or before the first day of May, one thousand eight hundred and seventy-seven.

And it shall also be specified upon the face of each

number of such representative or provisional scrip so issued, and upon each series thereof, that the owner or holder of the Capital Stock of the said "The North Shore Railway Company," which such scrip represents, shall in no event, be entitled at any election of directors of the said "The North Shore Railway Company," to elect a greater number than four of said Directors who may be nominated by such owner or holder; and the remaining four Directors authorized by law, to represent the individual shareholders in the said "The North Shore Railway Company," not including shares held by Corporations, which have already subscribed or may hereafter subscribe, for stock in the said Company, whose representation in said Board is otherwise provided for by law, shall be nominated by a majority of such individual shareholders, as may at the time of such election reside in the Province of Quebec; and they shall be of unexceptionable character, and qualified according to law. And also, that the owner or holder of such scrip, or of the Stock which it represents, shall have the power to fill any vacancy, which may occur from time to time in the number hereby assigned to them.

The party hereto of the second part, hereby further covenants and agrees, that in case any vacancies shall exist in the present Board of Directors, or in any Board that may be elected before any portion of the Stock Bonus herein provided to be issued, shall legally entitle the owner or holder thereof to vote thereon; such vacancies to the extent of four Directors, will be filled by the election of such responsible and unexceptionable gentlemen, as may be proposed by the bondholders in England.

It is further covenanted and agreed, by and between both parties to this agreement, that the said representative or provisional scrip shall, without unnecessary delay, be

placed with the Custodian or Trustee, of the Mortgage Bonds in Europe, subject to the order of the President of "The North Shore Railway Company," to be delivered to the proper representative of the said party hereto of the first part, or of the Syndicate which may either purchase said bonds, or make the required advances upon them, in the ratio of one thousand dollars of representative or provisional certificates, for every two thousand dollars of mortgage bonds, as the same may become due to the said party of the first part, either under or by virtue of the said original contract dated, the fifth day of April, one thousand eight hundred and seventy-two, or by virtue hereof.

THUS DONE AND PASSED, at the said City of Quebec, in the office of the said "The North Shore Railway Company" there situate, in the presence of John B. Parkin, the undersigned Notary, on the day and year first above written, which Notary preserves the original deed or minute among the records of his office, in the said City of Quebec, numbered five hundred and ninety-one.

IN FAITH AND TESTIMONY WHEREOF, the said parties hereto, have to these presents, first duly read according to law, set and subscribed their respective names and signatures, and the said William Rhodes hath also to these presents affixed the seal of the said "The North Shore Railway Company" to seal the same, the whole in the presence of me, the said Notary also hereunto subscribing.

Signed, SAM'L L. KEITH,
W. RHODES,
President North Shore Railway.
J. B. PARKIN, N. P.

A true copy of the original remaining of record in my office.

NORTH SHORE RAILWAY.

PREAMBLE AND RESOLUTIONS

Proposed to meet the application of the contractors for a further bonus of three million dollars of Capital Stock, to be placed with the bond holders in London.

WHEREAS, Messrs. George L. Dunlap and Perry H. Smith, in behalf of themselves and their associates, constituting the Chicago Contracting Company, have made written application to this Board, under date of London, May 14th, 1873, for an additional bonus of three million dollars of full paid capital stock of this Company, conditioned upon the opening of the Main Line for business between the Cities of Quebec and Montreal, before the close of the year 1874—and

WHEREAS the said application sets forth, that, after the most assiduous efforts on the part of said Contractors, during the past ten months, in the money markets of Europe, it has, for the reasons stated in said application, been found impossible upon the basis of the present contract to negotiate, either a sale of the six million dollars of mortgage bonds of the Company, which by the terms of the contract, dated April 5, 1872, are to become the property of said contractors upon the full completion of the Railway; nor to negotiate a loan upon said bonds,

which, together with the means at the disposal of the contractors, would be sufficient to enable them to complete and equip the Railway in accordance with the terms and conditions of their contract—and

WHEREAS, the said application further sets forth, that the additional bonus of stock, applied for, is not to be regarded as an increase in the contract price for constructing and equipping the Railway, but as a gift or gratuity to the syndicate of English Capitalists, who propose either to purchase, or to advance a sufficient amount of money upon the mortgage bonds of the Company, to enable the contractors to complete the Railway within the shortest practicable time; thus giving these Capitalists the power to exercise a just and proper influence in the future management of the affairs of the Company—And, also, setting forth that, with this concession from the Company, the necessary funds can be provided at once for the immediate prosecution of the work upon a scale that will insure the opening of the Main Line for business during the year 1874.

AND WHEREAS, the Chief Engineer of the Company, who has just returned from Europe, in a report to this board, dated May 28, 1873, fully corroborates the statements of the contractors, respecting the difficulties which they have encountered in their negotiations; and endorses their views as to the necessity of placing a majority of the Capital Stock of the Company in the hands of the parties who furnish the money for constructing the Railway, as the only inducement which will be effective in raising the necessary capital and thus securing the early completion of the Railway.

AND WHEREAS, a cable telegram has been received from

the Hon. George Irvine, Attorney General of the Province, and a Government Director in this road, stating that he has carefully examined the proposed arrangements in London, and is satisfied that if the board agrees, the road will be made immediately, otherwise impossible ; and stating also that immediate decision is important.

Therefore, in view of the great advantages that will accrue to the Railway Company, to the City of Quebec, to the Country through which the line will pass, between Quebec and Montreal, and to the Province at large, by the immediate commencement of work upon the Railway upon such a scale or basis as will insure its being opened for business between Quebec and Montreal, as early as practicable within the coming year. And also in view of the uncertainty and probable delays that will attend the construction of the road, in case of a refusal on the part of the Company to grant the concession asked for, which uncertainty and delays will undoubtedly result in much greater damage to all the interests above referred to, than any real or present value that can be attached to the amount of capital stock involved in the concession now applied for, be it

Resolved,—That the President of this Company, be, and he is hereby authorized and directed to execute, subject to the approval of this board, a modified or supplemental contract with the parties of the first part to the contract dated April 5, 1872. Which said modified or supplemental contract shall provide :

1st. That, if the Main Line of the North Shore Railway, as specified in said contract of April 5, 1872, shall be so far completed and equipped within the year 1874, as to permit of its being opened for business by the running of one or more daily trains between the Cities of Quebec and Montreal, then there shall become due and payable to said contractors as a bonus for the same, the sum of one million dollars in the full paid capital stock of this Company.

2nd. That, if the said Main Line shall be fully completed and equipped in accordance with the terms and conditions of the contract of April 5, 1872, on or before September 1, 1875, then there shall become due and payable to the contractors, as a further bonus for the same, an additional sum of one million dollars in the full paid Capital Stock of this Company.

3rd. That upon the full completion and equipment of the Main Line and Piles branch in accordance with the terms and conditions of the contract dated April 5, 1872, and with the terms and conditions of the supplemental contract now contemplated and provided for, there shall become due and payable to said contractors, as a further bonus for the same, the additional sum of one million dollars in the full paid Capital Stock of this Company.

4th. That it will be understood and expressed in said modified or supplemental contract, that the foregoing bonuses of Capital Stock, amounting in the aggregate to the sum of three million dollars, are or will be in addition to the sum or sums that may become due and payable to said contractors at the time or times above named, according to the terms and conditions of said contract dated April 5, 1872. And also, that the said additional bonus of Capital

Stock will in no event become due and payable to said contractors, except upon the full and faithful compliance on their part with the terms and conditions contained in said modified or supplemental contract.

5th. That, in order to enable the contractors, in their present negotiations in London, to anticipate the advantages to be derived by the concession of three millions of capital stock, on the part of the Railway Company, it be provided in said modified or supplemental contract, that the Company will immediately issue representative or provisional scrip, in such denominations as may be required, for the full amount of said bonus of three million dollars in the capital stock of this Company, which representative or provisional scrip shall specify upon its face, that the holder thereof will be entitled to receive from the Railway Company a like amount of the full paid capital stock of the Company, upon a full compliance on the part of the contractors, with the terms and conditions embraced in said modified or supplemental contract, upon which alone the issue of said stock is predicated; and that the said provisional or representative scrip shall be placed with the trustee or custodian of the mortgage bonds in Europe, subject to the order of the President of this Company, to be delivered to the proper representative of the contractors, or of the syndicate which may either purchase said bonds or make the required advance upon them, in the ratio of one thousand dollars of provisional certificates for every two thousand dollars of mortgage bonds as the same may become due to said contractors, either under and by virtue of said contract, dated April 5, 1872, or by virtue of this modification of the same.

6th. That, hereafter the board of Directors shall consist of at least four members to be nominated by stockholders

residing in this Province, not including Corporations which may have subscribed for stock in the Company; and who shall be of unexceptionable character, and qualified according to law.

7th. That, such provisional or representative scrip shall express on the face thereof, the condition as to the nomination and appointment of Directors by the holders thereof in no case to exceed four in number upon the Board; and such holders of said scrip shall fill any vacancy which may occur from time to time in the number hereby assigned them.

Resolved,—That this board is now, and will hereafter be entirely willing to fill any vacancies that may exist, to the extent of four directors, in the board, by electing to such vacancies such responsible, and unexceptionable Gentlemen as may be proposed by the bond holders in Europe.

Signed by the parties to the foregoing contract to remain annexed thereto *ne varieture*.

Signed, SAM'L L. KEITH,
[L. S.] W. RHODES,

President North Shore Railway.
J. B. PARKIN, N. P.

A true copy of the original remaining of record in my office.

RESOLUTIONS CONFIRMING THE FOREGOING SUPPLEMENTAL CONTRACT.

OFFICE OF THE NORTH SHORE RAILWAY COMPANY.

Quebec, June 13, 1873.

At a meeting of the Board of Directors of the North Shore Railway Company, held this 13th day of June instant, the following resolution was adopted :

Resolved—That this Board having taken into consideration the contract just read, based on the resolutions adopted at the meeting of this Board, held the 7th June instant, authorize the President to sign the said contract.

Certified,

A. H. VERRET,
Secretary.

CITY HALL,

Quebec, 12th June 1873.

At a special meeting of the Council of the City of Quebec, held on the 6th instant, it was

Resolved.—That his Worship the Mayor and the Directors representing the Corporation of the City of Quebec, and the Directors of the North Shore Railway Company, be requested to give their assent to the propositions emanating from the Contractors of the said Railroad, now under the consideration of the said Board of Directors, save the mo-

difications which might be made and which will appear acceptable, so that the making of the road be not in any wise retarded.

Certified,

L. A. CANNON,
City Clerk.

OFFICE OF THE NORTH SHORE RAILWAY COMPANY.

Quebec, 14th June, 1873.

At a general meeting of the shareholders of the North Shore Railway Company, held this 14th day of June instant, the following resolution was adopted :

Moved by Dr. Marsden, seconded by Jos. K. Boswell.—

Resolved.—That, whereas, at a meeting of the Board of Directors of this Company adjourned from the 4th day of June instant to the 7th day of the same month, the said Board took into consideration the application of the Contractors for a further bonus of three million dollars of capital stock in this Company, and, thereupon, passed certain resolutions acceding, upon certain specified conditions, to the said application ; and whereas, by the said resolutions, the President of the Company was authorized and directed to execute, subject to the approval of the Board, a modified or supplemental contract with the parties of the first part to the contract dated April 5, 1872, to wit, the Contractors making the application aforesaid ; and whereas the said President, at a meeting of the said Board, held on the 13th day of June instant, laid before the said Board a draft contract in the terms of the said resolutions, which said draft contract was accepted and approved of by the said Board ; and whereas, by deed executed at Quebec, before Parkin,

CONFIRMATORY RESOLUTIONS.

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notary, on the day last aforesaid, the said contract so approved of was signed and duly executed by the President of the Company, of the one part, and Samuel L. Keith, one of the said Contractors, duly authorized, and representing the Chicago Contracting Company, of the other part, this meeting having taken communication of the said preceding resolutions and contract of the 13th instant, do now adopt and confirm the said resolutions and the said modified or supplemental contract, executed as aforesaid, and the same are hereby adopted and confirmed accordingly.

Certified,

A. H. VERRET,
Secretary.